



December 21, 2009

Ms. Jennifer J. Johnson Secretary of the Board  
Board of Governors of the Federal Reserve System

Dear Members of the Board,

I feel that in the interest of consumer protection the board is missing a very important point as it proposes to eliminate "Yield Spread Premium (YSP)." The point being missed is really quite simple. As of January 1, 2010, indirect compensation otherwise known as Yield Spread will be a credit to the borrower (consumer). The elimination of yield spread will take that new method of paying for a mortgage's costs away from the consumer. It's VERY important to note that under the revised RESPA reform as implemented in the new 2010 GFE and 2010 HUD. All interest rate benefit is paid to the borrower. The RESPA reform has accomplished what you are intending to do by eliminating YSP, which is eliminate the incentive by the broker to mark the rate up to make more. In reality, the customer will be able to choose the rate and receive the corresponding "Yield Spread" directly to offset costs as the consumer sees fit.

Considering the change in the new RESPA laws, I respectfully request that you stricken all references to eliminating indirect lender compensation and Yield Spread from your proposal, as it will now only hurt consumers.

Respectfully Submitted,

**Tim Swierczek, MMS, CRMS**

President, Creative Mortgage Partners, LLC

[tim@cmpmn.com](mailto:tim@cmpmn.com)

The Minnesota Mortgage Specialist designation (MMS) is the title given by the Minnesota Mortgage Association, Inc. (MMA) to Minnesota mortgage professionals who choose to distinguish themselves as well-educated, ethical operators by annually participating in continuing education pertaining to industry law and ethics. Please visit [www.themmma.org](http://www.themmma.org) for details.

The Certified Residential Mortgage Specialist designation (CRMS) is the title given by the National Association of Mortgage Brokers (NAMB) to experienced loan officers who demonstrate superior industry knowledge and skill through ongoing training, industry experience, and examination. Currently, Minnesota has 17 designees.



**FHA Lender # 2426900002 MN Lic # 2045346**

**2475 Maplewood Drive Suite 115, Maplewood, MN 55109**  
**[www.cmpmn.com](http://www.cmpmn.com)**